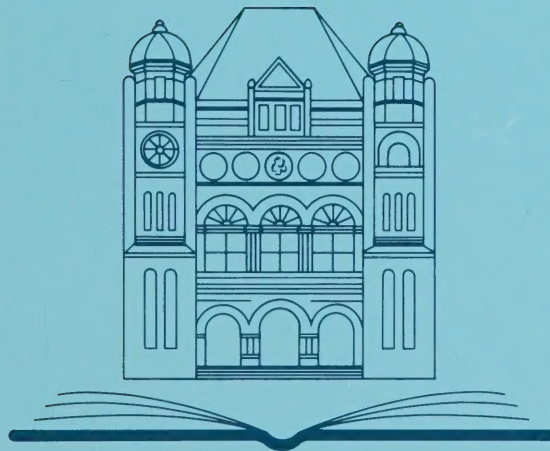


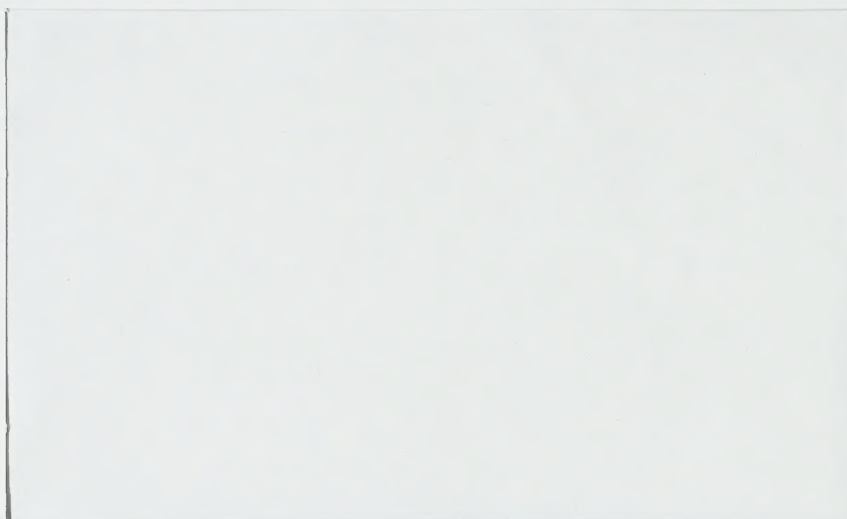
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**A SUMMARY OF POLITICAL AND
PARLIAMENTARY EVENTS IN
ONTARIO APRIL 1996 - MARCH 1997**

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ISSN 0835-0299

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Current Issue Paper #186

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April 1997

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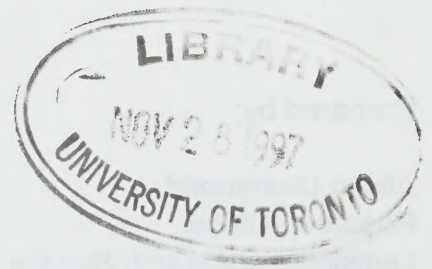


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A Summary of the
Political Science
Department's
Activities for the
Year 1996-1997



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Originally prepared in February 1997 as background notes for the Ontario delegation to the General Meeting of the Ontario-Québec Parliamentary Association.

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INTRODUCTION

This paper surveys political and parliamentary events in Ontario from April 1996 to March 1997. It is not exhaustive, but is intended as a snapshot of key developments in the last year. The paper starts with an overview of government fiscal policies and initiatives, and then organizes issues by the responsible Ministry.

FISCAL AND ECONOMIC POLICIES

Tax and Expenditure Cuts

The first two phases of the income tax cut promised in the *Common Sense Revolution*, the electoral platform of the Progressive Conservatives, have gone through. On July 1, 1996, provincial income tax was reduced from 58% of basic federal income tax to 54%; on January 1 of this year, it was again reduced, to 49% of federal tax. The 1996 Budget stated that the remainder of the promised 30% income tax cut will be phased in between this year and 1999.

The Employer Health Tax, a payroll tax which replaced health insurance premiums, will also be removed from the first \$400,000 in payroll for all companies (this is to be phased in over three stages, which started January 1 of this year), and from the self-employed. It will be replaced by the Fair Share Health Levy, to be incorporated into the existing provincial surtax and paid by higher-income residents of the province.

Major spending cuts were announced in the November 1995 Economic and Fiscal Statement, but many of them only started to take effect in April 1996, with the beginning of the fiscal year.

- internal government administration is to be cut by 33% by April 1998;
- grants and loans to business were cut by \$230 million;
- government grants (to cultural and recreational organizations, energy grants, etc.) are to be cut by 28% by April 1998; and
- spending on agencies, boards and commissions is to be cut by 28% by April 1998.

Transfer cuts, which have also been substantial, are discussed below under the relevant ministry.

Restructuring

A series of announcements were made in the week of January 13, 1997 of policies which will profoundly change the relationship and responsibilities of

municipalities and the province. They are discussed in more detail under the relevant ministry, but included:

- removing school funding from the property tax base and funding it entirely from provincial revenues;
- cutting the number of school boards and trustees, and setting maximum salaries for trustees;
- shifting to a 50-50 cost split for all social assistance (from 80% funding of general welfare and 100% funding of family benefits by the province);
- shifting to a 50-50 cost split for long-term care for the elderly, both institutional and community-based programs (from a mix of funding approaches, but largely provincially funded programs);
- shifting to 50-50 funding of child care (from 80-20 funding of most programs);
- shifting all social housing, land ambulance, library and water and sewage plant responsibilities to municipalities;
- shifting most public health unit costs to municipalities;
- shifting all local public transportation and most local airports to municipalities; and
- moving to an Ontario Fair Assessment System (OFAS) for property taxes, based on current value assessment, across the province.

The government also announced the establishment of a Municipal Social Assistance Reserve and increases to the existing Municipal Capital and Operating Restructuring Fund to help municipalities deal with these shifts.

Party Commissions

Two high-profile committees consisting of Progressive Conservative MPPs have released reports on issues important to the overall direction of the government. A third, the Committee on Small Business Access to Capital, co-chaired by Rob Sampson and Joe Spina, released a discussion paper in February 1997.

Red Tape Review Commission

The mandate of this committee of twelve Conservative MPPs, chaired by Frank Sheehan, was to examine Ontario laws and regulations which create barriers to job creation, investment and economic growth. It released an interim report in June 1996, which made a series of recommendations on, for example, repealing obsolete financial statutes, simplifying mining claims, streamlining administrative practices and similar changes to how the government does business. A series of bills were introduced in June as well, implementing recommendations for the relevant ministries (most consisted of administrative changes, allowing the relevant Minister to set fees or prescribe forms without the need for a regulation).

The commission released its final report, with recommended legislative changes, in January 1997. Some of these, such as lengthening the legal work week and changing the requirements for severance payments, are likely to be contentious. Individual ministers are assessing the recommendations for their areas of responsibility, and the government intends to introduce further legislation enacting recommendations made by the commission.¹

Task Force on Agencies, Boards and Commissions

Another committee of government MPPs, chaired by Bob Wood, reviewed agencies, boards and commissions of the Ontario government. They reported on the first phase of their work, on advisory agencies, in May 1996. Their report on operational agencies was released in January 1997, and recommended that:

- 12 operational agencies be eliminated;
- 30 be redesigned, with three of these, the Metro Toronto Convention Centre, Ontario Place and Ortech Corp., to be privatized immediately;
- 14 agencies be reviewed to improve their efficiency and effectiveness; and
- decisions on 6 agencies be deferred because of ongoing reviews.

The third phase of their work, on regulatory and adjudicative agencies, recommended that:

- 5 agencies be eliminated;
- 10 pursue their activities by other means;
- 35 be retained but incorporated into ten consolidated tribunals;
- 21 be retained in their current form or restructured; and
- decisions on 3 agencies, including the Human Rights Commission, be deferred because of ongoing reviews.

The Chair of Management Board announced on February 26, the same day the third report was released, that its recommendations would be adopted by the government.

PARLIAMENTARY ISSUES

The *Fewer Politicians Act*, introduced in October, fulfilled a promise in the *Common Sense Revolution* to reduce the number of elected representatives in Ontario. It provides for making provincial ridings identical to federal electoral districts, and adopts any subsequent changes to federal districts automatically. Its effect will be to reduce the number of MPPs from 130 now to 103 after the next provincial election. It received Royal Assent in December 1996.

Speaker Allan McLean resigned effective September 26, 1996, and was succeeded, in the Assembly's third election of its Speaker, by Chris Stockwell, MPP for Etobicoke West. Mr. McLean continues to sit as the representative for Simcoe East.

A January 22, 1997, decision by the Speaker was unusual in Canadian parliamentary practice. He found that an Opposition Member had established a *prima facie* case that the Minister of Municipal Affairs and Housing was in contempt of the Legislature because of the publication of a booklet by his ministry. The booklet described policy initiatives yet to be debated in the Legislative Assembly as if they had already been passed into law. The resulting motion censuring the government and referring the matter to the Standing Committee on the Legislative Assembly was defeated.

ATTORNEY GENERAL

Family Support Plan

The Family Support Plan was enacted in legislation in 1991, but built on the *Support and Custody Order Enforcement Act*, 1985. Its mandate is to enforce child support and custody provisions contained in court orders and agreements; since 1991 it has been able to deduct wages at source from non-custodial parents to provide support. The program operated through eight regional offices, which registered support orders, enforced provisions of the orders where necessary, and received payments for support. However, cheques were issued and inquiries were answered out of a central office in Toronto. The decision to centralize all operations of the Plan in 1996 (now the Family Responsibility Office) led to a very contentious transition period. The regional offices were closed in August and most of the program's staff were laid off. In September, computer problems resulted in 7,000 parents not receiving their cheques. During the fall, the media covered many cases of parents who had not received their cheques, even when the non-custodial parent had made a payment into the plan. More recently, the police have announced that one of two MPPs, who entered plan offices and videotaped unsecured confidential files, has been charged with assault and will go to trial in September 1997.²

In addition to these administrative changes, the *Family Responsibility and Support Arrears Enforcement Act* received first reading in October 1996 and Royal Assent in December 1996. Under this act, non-custodial parents in arrears can have the arrears deducted from lottery winnings, tax refunds and workers' compensation payments, and can have their drivers' licence suspended. The government also has more power to obtain information about parents in arrears and to enforce payments ordered in other jurisdictions.

Court System

Delays in the court system have been receiving a great deal of media attention lately, and people have had charges dropped as a result of these delays. In response, the Minister has appointed a number of judges; announced a new courthouse in Brampton, to be completed by the year 2000; assigned 15 prosecutors and 35 other Ministry staff to a “blitz” on criminal court backlogs in Metro Toronto; and consolidated six Metro Toronto civil court sites at one location, while making a number of other changes designed to streamline the system at that site.

The Ministry also plans to require private mediation as a first step in all civil cases except family law cases. This is to be phased in across the province, starting with Toronto on June 1, 1997. Alternative Dispute Resolution Committees will administer the system, creating a roster of approved mediators, approving their fees, monitoring their performance and responding to complaints. Parties to a suit will be required to take their case to a mediator in the first instance unless they can demonstrate to a judge that mediation is inappropriate.³

CITIZENSHIP

Under the restructuring exercise, this Ministry is to make libraries the responsibility of municipalities. As noted in the relevant Who Does What letter (see below), municipalities already provide over 90% of library funding, so the commission argued that it would be more appropriate to give municipalities complete control and funding responsibility.

COMMUNITY AND SOCIAL SERVICES

Social Assistance

The January 1997 announcements indicated the Ministry’s intention to shift administration of all social assistance to the municipal level, with costs to be shared 50-50 between municipalities and the province. At present,

- municipalities administer (and share administration costs 50-50 with the province) General Welfare Assistance (GWA), designed to be short-term assistance to employable people, and fund 20% of benefits, with the province paying the other 80%; and
- the province administers and funds Family Benefits Assistance (FBA), designed as longer-term assistance to single parents and people with disabilities.

Under the new program, all benefits are to be administered by municipalities and cost-shared on an equal basis. It was also announced that benefits based

on disability will be removed entirely from the social assistance system, though costs of a new income support program for this group are to continue to be cost-shared 50-50 between the province and municipalities. The province also announced a \$700 million Municipal Social Assistance Reserve to help municipalities deal with these changes. More recently, public statements by senior Ministers have suggested that the government may not proceed with the announced shift to 50-50 cost-sharing.⁴

Caseloads were falling steadily from 615,991 total cases in May 1996 to 573,834 in December 1996, and have since risen slightly, to 578,337 in March 1997. In October, the Ministry released a study of people who had left social assistance in May 1996, which found that 60% of the people surveyed had found employment. However, the survey, conducted by telephone, only interviewed one-sixth of the people selected for its random sample.⁵

An issue that has received more attention is workfare, compulsory work programs for recipients so that they can “earn” back their benefits and retain a connection with the workforce. This program was a major platform in the 1995 election, but relies on municipalities for implementation, since general welfare assistance is administered at the municipal level (the recent announcements indicate that Family Benefits and General Welfare will become more integrated programs, which could facilitate the entry of single parents into workfare programs, as they are developed).

The program, called Ontario Works, was announced in June 1996. It was launched in 20 communities, with GWA recipients in these municipalities to be working for their cheques by September 1996. FBA single mothers were to join the program later. However, media reports have suggested that both targets set by the municipalities, and actual job placements, were running well behind the actual number of employable GWA recipients in these municipalities; at present, about 16,000 people are participating in training, community work or job placements under Ontario Works.⁶

Children's Services

At present, child care fee subsidies are cost-shared on an 80-20 basis between the province and municipalities, with the province paying 100% of some programs (e.g., special needs children in integrated programs, wage subsidies for day care workers). The province also sets standards, and licenses and inspects centres. However, municipalities have discretion in providing child care, managing the fee subsidy system and purchasing care for eligible families. The Ministry's Child Care Review, which started its work under the then-Parliamentary Assistant Janet Ecker (now the Minister), made a series of recommendations:

- the province should continue to set standards;
- inspections should focus on problem operators;

- a simpler income test for eligibility for fee subsidies should be used;
- higher child-to-staff ratios should be allowed;
- money currently used for wage subsidies for child care workers should remain in the system but be distributed to both commercial and non-profit providers; and
- licensed home child care should be expanded.⁷

Under the restructuring initiatives, the province plans to move to 50-50 cost-sharing, with municipalities responsible for managing the system and licensing and inspecting centres, while the province will continue to set standards.

The child welfare system is currently regulated by the province, and Children's Aid Society expenditures are shared 80-20 with municipalities. The province plans to take over all responsibility for the system and better integrate it with the provincial system of services for vulnerable children and those with special needs.

A transition team made up of municipal and provincial representatives was appointed in February, to help manage the shift in responsibilities in the social and health areas. It will also be able to advise the province on the use of the stabilization fund, established to help municipalities deal with any sharp rise in social assistance caseloads. It, and the parallel team set up to manage the transition in other areas, started meeting in the spring.⁸

EDUCATION

Governance and Funding

Apart from consideration of education funding by the Crombie commission (recommendations are summarized below), the Minister released a discussion paper and announced a consultation on education funding, in September. This process was intended to concentrate on the provincial component of education funding, while the Who Does What working group concentrated on the municipal component. In the meantime, the system was absorbing transfer cuts of \$400 million, announced in the 1995 Fiscal and Economic Statement, which took effect in April 1996. The Minister also announced in December that 1997-98 transfers to educational institutions would be unchanged from 1996-97 figures.

On January 13th, the Minister made a major announcement and tabled legislation indicating a number of important changes to the school system in Ontario. There are now 168 school boards in the province, but their number is to be reduced dramatically: 129 major school boards will be consolidated into 66 new "District Boards," consisting of:

- 29 English-language public school boards;
- 26 English-language separate school boards;
- 4 French-language public school boards; and
- 7 French-language separate school boards.

The 11 French-language boards will cover the whole province, and will replace French school boards, French-language sections of boards and French-language advisory committees. Thirty-seven existing isolate and hospital school boards will remain, but will be renamed school authorities.

With the reduction in the number of boards will come a reduction in the number of trustees, from approximately 1,900 to approximately 700. Each board will have 5 to 12 trustees, with the exception of the Metro Toronto Public School Board, which will have 22. Salaries at all boards will be capped at an honorarium of \$5,000 per year, and board employees and their spouses will not be able to be trustees. Since April 1995, boards have been encouraged to establish advisory school councils at every school; this is now to be required by law.

Funding responsibilities have also changed dramatically: education is to be removed from the residential property tax bill, and the \$5 billion currently collected from this source will be the responsibility of the province. Business property taxes will continue to be used to pay for education, and these taxes are to remain at the local level, rather than being pooled across the province. The Ministry will also produce an annual report on spending by the new District Boards.

The transition process is being overseen by the Education Improvement Commission, co-chaired by Ann Vanstone, chair of the Metropolitan Toronto public school board and Dave Cooke, Minister of Education in the previous government. These appointments were announced in January.⁹

Other Issues

In August the Minister announced a review of collective bargaining legislation (Bill 100) governing teachers and school boards, to be conducted by lawyer Leon Paroian. His report recommended that Bill 100 be repealed and a new section of the *Labour Relations Act* be introduced to govern special elements of teacher union and school board negotiations. He also recommended that either labour disputes in the school system be brought under binding arbitration, or that the Lieutenant-Governor in Council be given the power to delay or end strikes and lockouts.

The *Ontario College of Teachers Act* received Royal Assent in June (the legislation had been adopted by the previous government), and the College was launched in September 1996. The College is to develop and enforce

standards in the profession; elections of teacher representatives to its governing council are to take place in early 1997, and the College has already started registering teachers.

The Education Quality and Accountability Office is field-testing a province-wide standard report card in 900 schools across the province. A final version will be used throughout the province in the 1997-98 school year. In March and April of this year, it tested the reading, writing and math skills of all Grade 3 students in the province.

Postsecondary System

In July the government released a discussion paper on future directions for the postsecondary system in the province, and appointed a panel to conduct hearings and report on the issue. This panel, chaired by David Smith, principal emeritus of Queen's University, reported to the Minister in December 1996. It recommended, among other things, that:

- government transfers to the postsecondary system be plateaued, then gradually raised to the average per capita funding provided by other provinces;
- tuition fees charged by colleges and universities should no longer be regulated by the government;
- an income-contingent student loan repayment plan should be instituted; and
- the government should not build any new universities, but it should amend relevant legislation to allow the establishment of new, not-for-profit private universities, under strict conditions to protect quality.

The government has not yet responded to this report. However, the Minister announced in December that transfers to this sector, which had been cut by \$400 million for 1996-97, would be unchanged in 1997-98. He announced in February that OSAP funding would be increased, and that David Smith had been retained by the Ministry to develop a postsecondary research policy.

ENVIRONMENT

The Advisory Committee on Competition in Ontario's Electricity System, chaired by Donald Macdonald, released its report in June 1996. It recommended:

- an end to Ontario Hydro's monopoly over generation and transmission of electricity;
- competition among power operators, who should have open access to the transmission system;

- the creation of two oversight bodies, a System Operator (to oversee transmission and access to the system) and an Electricity Exchange (to oversee financial matters);
- separating Ontario Hydro nuclear, hydro and fossil fuel facilities into units which will compete with other generators; and
- retaining public ownership of nuclear and some hydro facilities.

As part of the restructuring exercise, the Minister announced that the remaining water and sewage works owned by the Ministry would be turned over to municipalities to operate. The responsibility for relevant inspections would also be turned over to municipalities, but the province will continue to set standards.

HEALTH

Because the government has made a commitment not to decrease overall health care spending, policy issues have been less about managing cutbacks than about focusing spending to be as effective as possible. As a result, there have been a series of spending announcements: the Ministry has put more money into community mental health programs, breast cancer screening, equipment for paramedics, and other priority areas.

Negotiations with the OMA

On October 19, 1996, negotiators for the Ontario Medical Association and the Ministry of Health reached an agreement on OHIP billings and a number of other payment issues. All billings were to be clawed back at a rate of 2.9%, thresholds were established with higher clawbacks of billings over the threshold, government subsidies for malpractice insurance fees were to be increased up to 20% from existing provisions, and new billing numbers would only be issued to doctors willing to locate in under-serviced areas of the province. This effective ban was to run for two years under the agreement, with a review every six months. However, OMA members voted 76% against the deal, and the parties returned to negotiations. As of November 1, some family doctors and specialists refused to see new patients, and job actions by some physicians continued until January.¹⁰

A second agreement, reached in December, was accepted by the OMA in a January vote. This interim agreement provides for the same 2.9% clawback, higher billing thresholds, and financial incentives and disincentives to encourage new doctors to work in under-serviced areas. The disincentives (a 30% reduction in billings in the first year of practice) are to be in effect for three years. It also provides for a commission to review the OHIP fee schedule in the light of changes in technology and medical practice. The parties returned to negotiations in January to deal with outstanding issues.

Hospital Restructuring

As elsewhere in the country, and indeed in the industrialized world, hospital stays in Ontario have been reduced dramatically (from over 1,000 days per thousand referral population each year in the late 1980s to around 600 per thousand in late 1996).¹¹ This has led to the closure of some 9,000 beds in the province in the 1990s, but this has taken place relatively independently in each hospital; no hospitals have been closed. In addition, transfers to hospitals were cut by \$365 million in 1996-97, and are to be cut by a further \$435 million in 1997-98 and \$507 million in 1998-99. Various District Health Councils, local groups with responsibilities for health planning, have been examining the most effective structure of hospital services in their communities, including closing hospitals. However, they have no power to enforce their recommendations, and hospitals in most areas of the province have been unwilling to act on them.

The Health Services Restructuring Commission, which was established under Bill 26 in late 1995, and became operational in spring 1996, is overseeing the system-wide response to these changes. It has been doing independent research and using the work already done by the District Health Councils, with a view to restructuring hospital services across the province. However, it has the power to order a hospital to close. As of March 7, 1997, it has released both initial and final recommendations on hospital services in Sudbury, Thunder Bay and Pembroke, and has issued initial reports for Sarnia and Lambton, Ottawa-Carleton, London and Metro Toronto. In all cases, the Commission has ordered the closing of one or more hospitals and consolidation of services at others, with provision for capital improvements, additional services in the community and other associated issues. In one case, Lambton, the Commission has announced that, because the Ministry will be announcing a new policy for small hospitals in rural communities, the Commission will consider that policy before making its final report.

Restructuring

Four restructuring initiatives are of relevance to the Ministry of Health. It is planned that:

- the Ministry is to transfer all responsibilities for ambulance services to the municipal level; at present ambulance services are fully funded by the provincial government everywhere except Metro Toronto;
- long-term care, both institutional care provided in nursing homes and homes for the aged and community-based care, is to be funded 50-50 by the province and municipalities; at present, municipalities administer and provide some funding to municipal homes for the aged;
- responsibility for public health units is to be devolved to municipalities, with the province to set minimum standards, manage disease control and continue to fund some specific programs, such as immunization; at

present, municipalities fund 25% of mandatory programs, except in Metro Toronto, where the municipalities fund 60% of costs, and the province funds 100% of specific programs; and

- responsibility for Homes for Special Care, a program serving ex-patients of psychiatric hospitals in a residential setting, is to be devolved to municipalities, while psychiatric hospitals will monitor standards; at present the province pays the full cost of this program.

LABOUR

Workers' Compensation Restructuring

Cam Jackson, Minister without Portfolio for the Workers' Compensation Board, released his report on restructuring the Board in June 1996. He made a series of recommendations, including:

- the Act should be amended to require workers to apply for compensation within six months of the injury;
- the Act should be amended to require more responsibility from workers and employers to return to work;
- workers' compensation benefits should be 85% of pre-injury net average earnings (from 90% at present);
- compensation for chronic occupational stress should not be awarded, and chronic pain should be compensated in accordance with usual healing time;
- the WCB should consult on and review extensions to employers and workers not currently covered.

Bill 99, making a number of changes along these lines to the system, received first reading on 26 November 1996. It will also change the name of the Board to the Workplace Safety and Insurance Board.

MUNICIPAL AFFAIRS AND HOUSING

Who Does What

The Who Does What commission, chaired by David Crombie, was appointed on May 30, 1996, and working groups on various specific issues were established in June. The commission then released a series of letters to the Minister, with recommendations on specific issues; only the highlights are noted here.

- 14 August (**municipal powers**): The commission recommended the passage of a new *Municipal Act*, which would allow municipalities to act within their broadly-stated legal powers, rather than prescribing specific

actions as legal for a municipality to perform. It also recommended municipal administration of some of the *Provincial Offences Act*, with municipalities able to keep fines levied under the Act, streamlining environmental approvals and making municipalities responsible for more such approvals, and reducing barriers to the coordination of transportation.

- 20 August (**assessment and tax issues**): The commission recommended annual updates of property values, with taxes to be levied on a three-year rolling average and current value; provincial responsibility for the current assessment and appeal process, with municipalities to take over future assessment; and municipal flexibility on variable tax rates, phase-in of changes and protection of certain groups.
- 4 October (**emergency services**): The commission recommended clear municipal control of fire services and better provision for automatic aid agreements among services.
- 11 October (**social services**): The commission recommended that the province should pay 100% of social assistance, workfare and child care fee subsidies; that social service delivery should be consolidated into about 50 administrative units across the province; and that municipalities should license child care facilities to provincially-set standards.
- 4 November (**responsibilities**): The commission recommended clear municipal responsibilities for sewer and water services, municipal transit and provincial highways serving local needs, while the province should have responsibility for environmental standards and conservation, and should pay all the costs of women's shelters and child welfare.
- 8 November (**taxes**): The commission recommended the elimination of the Business Occupancy Tax and the retention of the Development Charges Act and municipal powers to levy such charges, and made a series of other specific recommendations on tax matters.
- 12 November (**emergency services**): The commission recommended that municipalities should be made entirely responsible for policing costs, with the province to provide the oversight functions as at present; and that the province should fund ambulance services entirely, including in Metro Toronto and amend the *Ambulance Act* to specify when ambulances must be used.
- 13 November (**education**): The commission recommended that the province should reduce the number of school boards, specify that boards are concerned with classroom education matters, while municipalities deliver business functions. It also recommended that the province should set uniform commercial and industrial property taxes, pool them across the province, leave up to 5% of budgets on the residential property tax and take over the remaining funding of education, based on a core grant per pupil in the province and additional funding based on community needs.
- 6 December (**governance**): The commission recommended a basic agenda of consolidation: a Greater Toronto Services Board should replace the five regional governments, while Metro Toronto and other municipalities

in the area should be consolidated into larger municipal governments, with municipalities to deliver services and the board to coordinate them; an implementation commissioner should be appointed to oversee the transition; in the North, single-tier municipal governments should be established in unorganized territories, while existing municipalities should be consolidated; at the county level, there should be some consolidation in response to local needs.

The Commission's last letter, released on December 30th, made a series of recommendations on both general and specific issues, and backtracked on the recommendation to take education funding off the residential property tax. It recommended that:

- GO Transit be made the responsibility of the Greater Toronto Services Board;
- the Municipal Support Grant be shifted to a needs-based formula;
- if a choice must be made between keeping education on the residential property tax or moving specific health and social services onto this base, then education should remain, with some changes including pooling business property taxes at a provincial level and distributing them according to need;
- Public Health Units should be consolidated and 100% of mandatory programs should be funded by the province;
- Municipal Homes for the Aged should receive standard provincial funding and should be a discretionary program for municipalities;
- policy on housing and support for vulnerable populations should be standardized and better coordinated;
- administration of and net revenue from the *Provincial Offences Act* should be gradually transferred to municipalities;
- commuter lines should be funded by the province and intercity bus lines should be deregulated; and
- tax treatment of different kinds of land should be more equitable, based on current value, and various anomalies, such as the treatment of telephone rights of way, should be resolved.

Amalgamation of Metro Toronto

The major announcement on changes to municipal governance has undoubtedly been the decision to amalgamate the six municipalities in Metropolitan Toronto into one "megacity." The bill implementing this received first reading in December 1996, and went into five weeks of committee hearings on February 3rd of this year. At the same time, the constituent municipalities of Metro Toronto held a plebiscite on the issue of amalgamation. These votes were counted on March 3. In spite of varying voting procedures and turnouts in the different municipalities, results were

consistently (70% to 80%) against amalgamation. The government announced that it will pursue amalgamation, but that amendments to the bill would be introduced in early April, before the legislation received third reading.¹² The plebiscites were held under new legislation, the *Better Local Government Act*, which received Royal Assent in December 1996.

Milt Farrow was appointed a special advisor to the Minister on a Greater Toronto Services Board, to provide greater coordination among all the regions of the Greater Toronto Area. He released a discussion paper on February 13, 1997, with a variety of ideas on what services a board could be concerned with, what role it might play in the planning, coordination and delivery of such services, how its members could be chosen, how the board could be funded and how it could contribute to governance in the Greater Toronto Area. People wishing to respond to the paper had until March 14 to do so, and Mr. Farrow expects to report by the end of March.

Restructuring

The Minister announced in January that he will be making changes to the *Municipal Act* (draft legislation and a discussion paper were released on March 10), and will allow municipalities to administer and collect all revenue from offences under the *Provincial Offences Act*. In addition to instituting the new property tax assessment system, the province will shift property tax assessment responsibilities to the municipal level, restrict the range of activities that can be funded through development charges, and provide for reduced property taxes on eligible properties to take the place of property tax rebates. The major restructuring issue for ministry programs is the shifting of responsibility for social housing to the municipal level. The Ministry now delivers three types of housing (Ontario Housing Corporation, rent supplement, and non-profit/co-operative housing), with the federal and provincial governments sharing funding at different levels for the different programs. The ministry will be negotiating the federal role in the system, and intends to make municipalities responsible for delivering the programs. The province will continue to set, maintain and enforce standards.

A transition team made up of provincial and municipal officials will advise the government on the design, implementation and management of proposed new roles and responsibilities for provincial and municipal levels of government. It was appointed in January, and will work to facilitate the implementation of the restructuring changes by January 1, 1998.

Rent Control

After a series of hearings throughout Ontario in August and September, the Minister introduced a new *Tenant Protection Act*. This bill received first reading on November 21, and is expected to go to public hearings in 1997. It replaces six other pieces of legislation, including the *Rent Control Act*,

Landlord and Tenant Act, and *Rental Housing Protection Act*. Under it, rent increases for existing tenants will continue to be regulated by the province, but landlords will be able to charge market rents to new tenants. It contains provisions to enforce maintenance and increase penalties for landlords who do not respond to work orders, and it establishes a new body, the Ontario Rental Housing Tribunal, to which landlord and tenant disputes will go in the first instance.

NATIVE AFFAIRS

An Aboriginal policy framework was released by the government in March 1996, and marked a substantial departure from the policy of past governments: it makes economic development in Aboriginal communities the government's highest priority, and argues that the federal government must take the lead on Aboriginal self-government matters. However, policy developments in this portfolio have been overshadowed by developments surrounding the Ipperwash blockade.

Dudley George was killed on September 6, 1995, while participating in a blockade of Ipperwash Provincial Park, and events surrounding his death have continued to receive public attention at various times in 1996 and 1997. Mr. George's family filed a civil suit against the province, provincial ministers and members of the OPP in April; an OPP officer was charged with criminal negligence causing death in July; his trial started in April 1997; and the local MPP has been quoted as saying that he was in touch with the Premier's Office, and was at the OPP's command post earlier in the day on September 6th.¹³

SOLICITOR GENERAL AND CORRECTIONAL SERVICES

The major policy initiative in this Ministry was announced during the January announcements, though it has implications for funding, governance and oversight of the police in the province.

In May 1996 a discussion paper was released on police services in the province, and a consultation process with police and municipal stakeholders was begun. In October 1996, Rod McLeod, an ex-civil servant in the Ministries of the Attorney General and Solicitor General was commissioned to consult with the public on oversight of the police. His report, released in December 1996, recommended a more streamlined approach to complaints about the police, and the amalgamation of four civilian bodies into a new Ontario Police Services Commission, reporting to the Solicitor General. Under the recommended approach, all complaints would go in the first instance to the local police department; complainants could then appeal the handling of their case to the new agency, which could investigate and/or adjudicate the case. Any prosecutions resulting from a complaint would be handled by Crown prosecutors.

The January announcement dealt with these issues as well as funding and governance. It is intended that:

- as of January 1, 1998, all municipalities in the province will pay for police services they receive (at present, 576 municipalities, making up 15% of the population of Ontario, receive OPP services at no direct cost);
- municipalities will appoint the majority of members of Police Services Boards;
- municipalities will set police budgets, while Police Services Boards are to allocate and administer funds;
- municipalities may establish joint boards with neighbouring municipalities, but all parts of the province, including OPP contract locations, are to establish boards;
- the Special Investigations Unit will remain in the Ministry of the Attorney General, and existing internal processes for responding to complaints will be strengthened, while the remaining civilian oversight bodies (the Ontario Police Complaints Commission, the Ontario Civilian Commission on Police Services and the Board of Inquiry) are to be combined into one body, the Ontario Civilian Commission on Police Services.

Legislation enacting these changes received first reading on January 14th.

Legislation to repeal nine existing Acts and consolidate them into one Act governing fire services and fire safety in the province received first reading in October 1996. It establishes a new framework for working conditions and labour relations for firefighters, and some elements of this have been contentious. The Bill received second reading and was referred to the Standing Committee on the Administration of Justice in February 1997.

The decision to end a small program within the Ministry has received press scrutiny recently. The Bail Verification and Supervision Program, operating in eleven cities across the province, provided bail for people granted bail but unable to post the money themselves or provide other guarantees to appear. It supervised the individuals and ensured that they appeared at their court date, at an annual cost of \$1.9 million. The program was to end on March 31, 1997; though some local programs received transitional funding in March, the program is still scheduled to be wound down everywhere in the province.¹⁴ The decision has been criticized for increasing expense and inequities in the court and jail system.¹⁵

TRANSPORTATION

Truck Safety

Two deaths due to flying truck wheels, and a number of publicized close calls, have caused truck safety in the province to be questioned, and have led to a pledge of action from the Minister.¹⁶

Restructuring

In his January 15 announcement, the Minister announced that he intends to shift responsibility to municipalities for:

- municipal transit and airports;
- GO Transit; and
- local highways and ferries.

He said that existing commitments to the Toronto Transit Commission's capital plan and the Sheppard subway will be honoured, and Milt Farrow, who is studying the proposed Greater Toronto Services Board, will also consider how to fund GO Transit.

NOTES

¹ James Rusk, "Longer work week urged," *Globe and Mail*, 23 January 1997, p. A1.

² Patricia Orwen, "Why Ken Hord is suing the Family Support Plan," *Toronto Star*, 18 January 1997, p. B1; and "Kormos trial date set," *Globe and Mail*, 22 March 1997.

³ Kirk Makin, "Ontario to impose civil case mediation," *Globe and Mail*, 31 January 1997, p. A1.

⁴ Lisa Wright, "Tories mull alternatives to welfare transfer," *Toronto Star*, 6 March 1997, p. A12.

⁵ Levy-Coughlin Partnership, *Final Report: A Survey of People Who Have Left Social Assistance* (Toronto: LCP, 1996), p. 9.

⁶ Laurie Monsebraaten, "Metro getting workfare but it has a softer face," *Toronto Star*, 31 March 1997, p. A6.

⁷ For further detail on the report, see Ted Glenn, "Improving Ontario's Child Care System: Janet Ecker Report," *Note N-1* (Toronto: Ontario Legislative Library, October 1996).

⁸ James Rusk, "Teams set up to discuss Ontario fiscal reforms," *Globe and Mail*, 22 February 1997, p. A12.

⁹ See also Bob Gardner, "Ontario School Board Reduction Task Force Report," *Note N-3* (Toronto: Ontario Legislative Library, October 1996) for background on the task force, chaired by John Sweeney, which originally recommended a reduction in the number of school boards in the province.

¹⁰ Jane Coutts, "MDs reject tentative deal," *Globe and Mail*, 1 November 1996, p. A1.

¹¹ Rod Mickleburgh, "Medicine for hospitals gets results," *Globe and Mail*, 29 October 1992; and James Rusk, "Travelling executioners to seal fate of Ontario hospitals," *Globe and Mail*, 15 July 1996, p. A3.

¹² James Rusk, "Harris sticks to Metro merger," *Globe and Mail*, 5 March 1997, p. A1.

¹³ Rudy Platiel, "Natives release version of Ipperwash," *Globe and Mail*, 2 April 1996, p. A1; James Rusk, "OPP officer charged in Ipperwash shooting," *Globe and Mail*, 24 July 1996, p. A1; and Martin Mittelstaedt, "Tory MPP contradicts Harris on Ipperwash," *Globe and Mail*, 6 November 1996, p. A1.

¹⁴ Tracey Tyler, "Province bails out bail program – and warns it's the last time," *Toronto Star*, 29 March 1997, p. A4.

¹⁵ Tracey Tyler, "'The innocent at risk' as bail program axed," *Toronto Star*, 17 January 1997, p. A15.

¹⁶ For a detailed assessment of this issue, please refer to forthcoming CIP on trucking issues by Jerry Richmond.

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